

STATEMENT OF JOHN J. SWEENEY
AFL-CIO PRESIDENT
BEFORE THE SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS OF THE
COMMITTEE ON EDUCATION AND THE WORKFORCE
April 30, 1998

Mr. Chairman and Members of the Subcommittee:

I think we all agree that serious and disturbing issues have been raised by the allegations arising out of the Teamsters election. There is no room in the union movement for corruption or wrongdoing.

These issues are especially tragic for the members of a proud and important union such as the Teamsters -- men and women whose courage the entire nation witnessed during the UPS strike -- and I hope and trust their interests will be best served through this process.

The allegations are all the more disturbing because at a time when so many women and men all across the country are doing so much to reinvigorate the union movement and strengthen the voice of working families, some of the adversaries of working people are attempting to use the issues that have been raised to cast a cloud over all the positive work that is underway.

I want to say from the outset that I hope no member of this committee has any intention of using this committee's work to further the nationwide effort to intimidate the union movement and silence working families. I can't think of a greater sign of disrespect for working men and women, or a greater abuse of power and taxpayer resources.

Let me set out a couple of other points.

It is an article of faith that the AFL-CIO does not interfere in internal union elections, and that is a commitment I take very seriously.

I made every effort to be strictly neutral in the Teamsters *election*, while unequivocally supporting the *union*, its members and their struggles. As I have informed the U.S. Attorney's office, I had no involvement in any fund raising activities for the Carey campaign, and no involvement in any of the transactions cited with respect to the AFL-CIO.

Since the AFL-CIO was first contacted by the U.S. Attorney, we have instructed our lawyers to cooperate fully with the U.S. Attorney's investigation -- as we have with your own investigation -- and we will continue to do so.

I'm especially disturbed that the AFL-CIO has been connected in any way to the allegations arising out of the Teamsters election.

First, because we must do everything we can to protect the interests of union members and the integrity of the union movement.

And second, because what working women and men all across this country accomplish by joining together in strong, effective unions is so important to their well-being and their families' futures. Nothing we do should jeopardize that.

Men and women in unions have a real voice on the job, they earn higher wages, and they are more likely to have good health care coverage and pensions.

But we see our mission not just as helping our members improve their lives, but as helping all working families have a stronger voice in their workplaces, their communities, their government and the global marketplace.

That's why, in 1995, I ran for President of the AFL-CIO, a federation of 72 national unions with about 13 million members.

After secretary-treasurer Rich Trumka, executive vice president Linda Chavez-Thompson, and I were elected, we made far-reaching changes to strengthen the AFL-CIO. I'm especially proud of our recommitment to organizing.

And we launched an unprecedented effort in 1996 to engage our members in holding our elected leaders in government accountable around working family issues.

We asked our members what issues were most important to them. We polled and surveyed to find out how important members felt it was for their unions to work for them through legislative and political action -- and a large majority said it was very important. And we held a special convention with delegates from all the unions and states to vote on pooling resources to underwrite this unprecedented legislative and political effort, which we called Labor '96.

And then we went out and addressed the issues our members said were most important to them. We reported how elected leaders voted on health care and Medicare and pensions and college loans. We helped pass a minimum wage increase and make working family issues the issues of 1996. That activity has brought attacks from some quarters.

Let me address the issue of the \$150,000 transaction that is a subject of this Committee's inquiry.

I first learned of this transaction as a result of a document subpoena that the AFL-CIO received from the U.S. Attorney's office. Upon receiving that subpoena, the AFL-CIO hired

outside counsel, whom I instructed to cooperate fully with the U.S. Attorney's investigation and to voluntarily produce all relevant documents and witnesses. I also instructed counsel to keep me informed of what they found in the course of their representation and to be sure that no wrongdoing was ignored or swept under the rug.

Obviously, there are limitations to any investigation that the AFL-CIO conducts. We do not have access to the witnesses or documents of the other entities allegedly involved in this transaction. We are not in a position to conduct the kind of comprehensive investigation that the U.S. Attorney's office can conduct.

Nevertheless, based on those documents and witnesses to which we do have access, I can state the following:

- The AFL-CIO received a check dated November 1, 1996, in the amount of \$150,000 from the Teamsters, which, according to the documents, was for use in connection with the Labor '96 campaign.

- The AFL-CIO sent a check dated November 4, 1996 in the amount of \$150,000 to Citizen Action, and prior to that payment the AFL-CIO had, as part of Labor '96, made other sizeable contributions to Citizen Action — the legitimacy of which is not in question.

- Although there is evidence that these two \$150,000 checks were connected, we have found no basis to conclude that anyone at the AFL-CIO knew or was told that those checks were part of a scheme to launder Teamster treasury money into the Carey campaign through Citizen Action. In November, 1996, Citizen Action was generally known to those active in political affairs at the AFL-CIO as one of the best -- if not the best -- national grassroots organizations doing voter education.

I am aware that allegations of wrongdoing have been made against Secretary-Treasurer Trumka in connection with this transaction. I have no knowledge of what evidence, if any, others may have to support such allegations. Rich Trumka is someone I have known and trusted for years. I do not believe that Rich Trumka would knowingly participate in a scheme to launder union treasury money into the campaign coffers of a candidate for union office.

I know that both Rich and Linda share the sense of responsibility I feel to the working men and women we're so privileged to represent.

Two days ago I met with about 600 rank-and-file union members at one of a dozen issues forums we're holding around the country to answer questions and get advice about our Working Families Agenda. One man stood up -- it turned out he was a UPS worker and a Teamster -- and he said, "It felt so great to have the entire labor movement behind me when I was on strike at UPS. And now we have to keep it up. We've got to mobilize and fight back against these bills to limit union members' role in politics, against corporations that want to take away our pensions,

against politicians who want to cut health and safety on the job.”

I feel a tremendous responsibility to our mission to represent workers like that man forcefully and well.

Very troubling issues are being addressed here. Let’s get to the bottom of them. But let’s not allow legitimate issues to be used to smear good people doing good work.

For our part, we’re more determined than ever. We’re going to continue speaking up. We’re going to continue organizing. And we’re going to reach our goal of restoring the voice of America’s workers in our workplaces, our communities, our government and the global economy. That’s a promise and a commitment.

I’m available to answer any questions you may have, Mr. Chairman.

And as we have discussed, AFL-CIO General Counsel Jonathan Hiatt is here and may be called upon to provide technical information about AFL-CIO policies.

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